

**GEOHERMAL HEATING (INTERNATIONAL)
LIMITED**

UNAUDITED ABBREVIATED ACCOUNTS

FOR

30TH JUNE 2005



GEOHERMAL HEATING (INTERNATIONAL) LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30TH JUNE 2005

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GEOHERMAL HEATING (INTERNATIONAL) LIMITED**ABBREVIATED BALANCE SHEET****30TH JUNE 2005**

	Note	2005 £	£	2004 £	£
FIXED ASSETS	2				
Intangible assets			-		8,163
Tangible assets			31,679		12,021
			<u>31,679</u>		<u>20,184</u>
CURRENT ASSETS					
Stocks		260,584		98,956	
Debtors		902,061		464,998	
Cash at bank and in hand		645		4,164	
		<u>1,163,290</u>		<u>568,118</u>	
CREDITORS: Amounts falling due within one year		<u>1,135,285</u>		<u>522,332</u>	
NET CURRENT ASSETS			<u>28,005</u>		<u>45,786</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>59,684</u>		<u>65,970</u>
CREDITORS: Amounts falling due after more than one year			<u>8,344</u>		<u>131,485</u>
			<u>51,340</u>		<u>(65,515)</u>
CAPITAL AND RESERVES					
Called-up share capital	4		103,000		103,000
Profit and loss account			<u>(51,660)</u>		<u>(168,515)</u>
SHAREHOLDERS' FUNDS/(DEFICIENCY)			<u>51,340</u>		<u>(65,515)</u>

The Balance sheet continues on the following page.

The notes on pages 3 to 6 form part of these abbreviated accounts.

GEOHERMAL HEATING (INTERNATIONAL) LIMITED**ABBREVIATED BALANCE SHEET** *(continued)***30TH JUNE 2005**

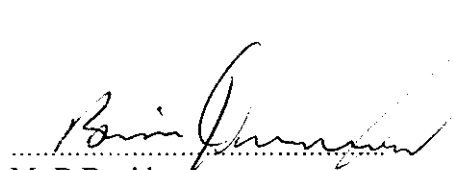
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 19th APRIL 2006 and are signed on their behalf by:



Mr B Davidson
Director

GEOTHERMAL HEATING (INTERNATIONAL) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH JUNE 2005**

1. ACCOUNTING POLICIES**Basis of accounting**

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Research and development

Research and development costs have been written off against sales orders to which the costs relate.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Improvements to leasehold property	- 50% per annum on cost
Plant and machinery	- 33.33% per annum on cost
Fixtures and fittings	- 33.33% per annum on cost
Equipment	- 33.33% per annum on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

GEOTHERMAL HEATING (INTERNATIONAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30TH JUNE 2005

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Total £
COST			
At 1st July 2004	29,971	27,181	57,152
Additions	6,017	29,282	35,299
At 30th June 2005	<u>35,988</u>	<u>56,463</u>	<u>92,451</u>
DEPRECIATION			
At 1st July 2004	21,808	15,160	36,968
Charge for year	14,180	9,624	23,804
At 30th June 2005	<u>35,988</u>	<u>24,784</u>	<u>60,772</u>
NET BOOK VALUE			
At 30th June 2005	<u>—</u>	<u>31,679</u>	<u>31,679</u>
At 30th June 2004	<u>8,163</u>	<u>12,021</u>	<u>20,184</u>

GEOTHERMAL HEATING (INTERNATIONAL) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 30TH JUNE 2005

3. RELATED PARTY TRANSACTIONS

During the year the company was under the control of B Davidson who was a Director of the company and is also a Director of Speymill OOD Limited, a trustee of Speymill Retirement Benefit Scheme, and a director of Geothermal Limited and G H I Installations Limited.

J C Raeburn who was also a Director during the year is also a Director of Raeburn Drilling and Geotechnical Limited.

During the year transactions with related parties arose as follows:

The company was charged £299,676 by Speymill OOD Limited broken down as follows:

	£
Management and administration	
personnel charges	51,600
Contract labour charges	136,508
Charges for rental of Transit vans	6,600
Materials purchased from suppliers on behalf of GHI	<u>104,968</u>

The company was charged £129,259 for drilling and loop work by Raeburn Drilling.

The company was charged £14,100 (2004 - £10,550) by Speymill Retirement Benefit Scheme for rent and service charges.

£11,153 (2004 - £5,950) was invoiced by A A Hobday in respect of professional services rendered.

At the end of the year balances with related parties were:

£42,256 owed to B Davidson by the company (2004 - £28,484).

£19,971 owed to Speymill Retirement Benefit Scheme by the company (2004 - £18,321).

£7,796 owed to Speymill OOD Limited by the company (2004 - £12,777).

£240,111 owed to Raeburn Drilling and Geotechnical Limited (2004 - £170,272).

£36,741 owed to I Howley by the company.

£41,723 owed to A Howley by the company.

£Nil owed to GHI Installations Limited by the company (2004 - £16,904).

Interest was paid on balances due to I Howley, A Howley and B Davidson based on a commercial rate of interest.

GEOHERMAL HEATING (INTERNATIONAL) LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 30TH JUNE 2005**

4. SHARE CAPITAL**Authorised share capital:**

	2005	2004
	£	£
100,000 Ordinary 'A' shares of £1 each	100,000	100,000
20,000 Ordinary 'B' shares of £1 each	20,000	20,000
	<u>120,000</u>	<u>120,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary 'A' shares of £1 each	100,000	100,000	100,000	100,000
Ordinary 'B' shares of £1 each	3,000	3,000	3,000	3,000
	<u>103,000</u>	<u>103,000</u>	<u>103,000</u>	<u>103,000</u>